

Docket No. IM2016-1

Attachment B

File (One Proposal)

26th CONGRESS

Convention – Proposal

| 20.28.1.Rev 1**Article 28**

Terminal dues. Provisions applicable to mail flows between designated operators of countries in the target system

POSTAL OPERATIONS COUNCIL

Amend as follows:

1 to 4 (No change.)

5 The rates per item and per kilogramme are separated for small (P) and large (G) letter-post items and bulky (E) letter-post items. They shall be calculated on the basis of 70% of the charges for a 20-gramme small (P) letter-post item and for a 175-gramme large (G) letter-post item, exclusive of VAT or other taxes. For bulky (E) letter-post items, they shall be calculated from the P/G format line at 375 grammes, exclusive of VAT or other taxes.

6 (No change.)

7 The rates applied for flows between countries in the target system in a given year shall not lead to an increase of more than 13% in the terminal dues revenue for a letter-post item in the P/G format of 84-8 37.6 grammes and in the E format of 375 grammes, compared to the previous year.

8 The rates applied for flows between countries in the target system prior to 2010 for small (P) and for large (G) letter-post items may not be higher than:

8.1 for the year ~~2014~~ 2018, ~~0.294~~ 0.331 SDR per item and ~~2.294~~ 2.585 SDR per kilogramme;

8.2 for the year ~~2015~~ 2019, ~~0.303~~ 0.341 SDR per item and ~~2.363~~ 2.663 SDR per kilogramme;

8.3 for the year ~~2016~~ 2020, ~~0.312~~ 0.351 SDR per item and ~~2.434~~ 2.743 SDR per kilogramme;

8.4 for the year ~~2017~~ 2021, ~~0.324~~ 0.362 SDR per item and ~~2.507~~ 2.825 SDR per kilogramme.

8bis The rates applied for flows between countries in the target system prior to 2010 for bulky letter-post items (E) may not be higher than:

8bis.1 for the year 2018, 0.705 SDR per item and 1.584 SDR per kilogramme;

8bis.2 for the year 2019, 0.726 SDR per item and 1.632 SDR per kilogramme;

8bis.3 for the year 2020, 0.748 SDR per item and 1.681 SDR per kilogramme;

8bis.4 for the year 2021, 0.770 SDR per item and 1.731 SDR per kilogramme.

9 The rates applied for flows between countries in the target system prior to 2010 or from 2010, 2012 and 2016 for small (P) and for large (G) letter-post items may not be lower than:

9.1 for the year ~~2014~~ 2018, ~~0.203~~ 0.227 SDR per item and ~~1.594~~ 1.774 SDR per kilogramme;

9.2 for the year ~~2015~~ 2019, ~~0.209~~ 0.233 SDR per item and ~~1.636~~ 1.824 SDR per kilogramme;

- 9.3 for the year ~~2016~~ 2020, ~~0.245~~ 0.240 SDR per item and ~~4.682~~ 1.875 SDR per kilogramme;
 9.4 for the year ~~2017~~ 2021, ~~0.224~~ 0.247 SDR per item and ~~4.729~~ 1.928 SDR per kilogramme.

9bis The rates applied for flows between countries in the target system prior to 2010 or from 2010, 2012 and 2016 for bulky letter-post items (E) may not be lower than:

- 9bis.1 for the year 2018, 0.485 SDR per item and 1.089 SDR per kilogramme;
9bis.2 for the year 2019, 0.498 SDR per item and 1.120 SDR per kilogramme;
9bis.3 for the year 2020, 0.512 SDR per item and 1.151 SDR per kilogramme;
9bis.4 for the year 2021, 0.526 SDR per item and 1.183 SDR per kilogramme.

10 The rates applied for flows between countries in the target system as from 2010 and 2012 as well as between these countries and countries in the target system prior to 2010 for small (P) and for large (G) letter-post items may not be higher than:

- 10.1 for the year ~~2014~~ 2018, ~~0.209~~ 0.264 SDR per item and ~~4.644~~ 2.064 SDR per kilogramme;
 10.2 for the year ~~2015~~ 2019, ~~0.222~~ 0.280 SDR per item and ~~4.739~~ 2.188 SDR per kilogramme;
 10.3 for the year ~~2016~~ 2020, ~~0.235~~ 0.297 SDR per item and ~~4.843~~ 2.319 SDR per kilogramme;
 10.4 for the year ~~2017~~ 2021, ~~0.249~~ 0.315 SDR per item and ~~4.954~~ 2.458 SDR per kilogramme.

10bis The rates applied for flows between countries in the target system as from 2010 and 2012 as well as between these countries and countries in the target system prior to 2010 for bulky letter-post items (E) may not be higher than:

- 10bis.1 for the year 2018, 0.584 SDR per item and 1.313 SDR per kilogramme;
10bis.2 for the year 2019, 0.640 SDR per item and 1.439 SDR per kilogramme;
10bis.3 for the year 2020, 0.701 SDR per item and 1.577 SDR per kilogramme;
10bis.4 for the year 2021, 0.770 SDR per item and 1.731 SDR per kilogramme.

10ter The rates applied for flows between countries in the target system as from 2016 as well as between these countries and countries in the target system prior to 2010 or as from 2010 and 2012 for small (P) and for large (G) letter-post items may not be higher than

- 10ter.1 for the year 2018, 0.234 SDR per item and 1.831 SDR per kilogramme;
10ter.2 for the year 2019, 0.248 SDR per item and 1.941 SDR per kilogramme;
10ter.3 for the year 2020, 0.263 SDR per item and 2.057 SDR per kilogramme;
10ter.4 for the year 2021, 0.279 SDR per item and 2.180 SDR per kilogramme.

10quater The rates applied for flows between countries in the target system as from 2016 as well as between these countries and countries in the target system prior to 2010 or as from 2010 and 2012 for bulky letter-post items (E) may not be higher than:

- 10quater.1 for the year 2018, 0.533 SDR per item and 1.198 SDR per kilogramme;
10quater.2 for the year 2019, 0.602 SDR per item and 1.354 SDR per kilogramme;
10quater.3 for the year 2020, 0.680 SDR per item and 1.530 SDR per kilogramme;
10quater.4 for the year 2021, 0.770 SDR per item and 1.731 SDR per kilogramme.

~~11 The rates applied for flows between countries in the target system as from 2010 and 2012 as well as between these countries and countries in the target system prior to 2010 may not be lower than the rates provided for in paragraphs 9.1 to 9.4 above.~~

~~12 The rates applied for flows to, from or between new target system countries, other than for bulk mail, shall be those provided for in paragraphs 9.1 to 9.4.~~

13 For flows below ~~75~~ 50 tonnes a year between countries that joined the target system in 2010 and 2012 or after that date, as well as between these countries and countries that were in the target system prior to 2010, the per-kilogramme and per-item components shall be converted into a total rate per kilogramme on the basis of a worldwide average of ~~12.23 items per kilogramme~~ composition of one kilogramme of mail in which P and G format items account for 8.16 items weighing 0.31 kilogramme and E format items account for 2.72 items weighing 0.69 kilogramme.

13bis For flows below 75 tonnes a year, in 2018, 2019 and 2020, and below 50 tonnes, in 2021, between countries that joined the target system in 2016 or after that date, as well as between these countries and countries that were in the target system prior to 2010, as from 2010 and 2012, the per-kilogramme and per-item components shall be converted into a total rate per kilogramme on the basis of a worldwide average composition of one kilogramme of mail, as referred to in paragraph 13.

14 The payment for bulk mail sent to countries in the target system prior to 2010 shall be established by applying the rates per item and per kilogramme provided for in paragraphs 5 to 9 9bis.

15 The payment for bulk mail sent to countries in the target system as from 2010, and 2012 and 2016 shall be established by applying the rates per item and per kilogramme provided for in paragraphs ~~5, 40 and 9 to 10~~ quater 44.

16 (No change.)

Reasons. – See Congress–Doc 40.

The aim of Rev 1 is to correct and complement the text of proposal 20.28.1, in paragraph 13 and in the new paragraph 13bis, on the thresholds for sampling and format separation for group II (formerly 1.2 and 2) and group III (formerly 3), as well as on the paragraphs referenced in paragraph 15. These are not changes to the original proposal, but a necessary modification in order to fully match the proposal described in Congress–Doc 40.

According to Convention article 28.13, an example of calculation for the worldwide average composition of one kilogramme of mail shall be provided. Based on the last items per kilo study (IPK) in 2014, the worldwide average number of items in one kilo of letter-post mail is 10.88 items per kilo, in which:

- P and G format items account for 8.16 items weighing 0.31 kg; and
- E format items account for 2.72 items weighing 0.69 kg.

Therefore, as an example, for a country receiving the floor rates, where the small (P) and large (G) letter-post item rates are 0.227 SDR per item and 1.774 SDR per kilo, and bulky (E) letter-post item rates are 0.485 SDR per item and 1.089 SDR per kilo, the total kilo rate would be:

$(8.16 \times 0.227) + (0.31 \times 1.774) + (2.72 \times 0.485) + (0.69 \times 1.089) = 4.472$ SDR per kilo.